

Office Location: Honolulu



**INNOVATIVE SOLUTIONS** Innovative Solutions, through its experienced staff of engineering, technology and business management professionals, assists small and medium-sized manufacturing firms implement changes that lead to greater productivity, increased profits, and enhanced global competitiveness. Contact: Kathy McKenzie, Innovative Solutions, CTAHR 3050 Maile Way, Gilmore Hall 115, Honolulu, HI 96822, (808) 754-0239, Fax: (808) 262-6028, Email: kamckenz@hawaii.edu, Website: <http://www.ctahr.hawaii.edu/is/> (link to MEP site).

## THE MANUFACTURING EXTENSION PARTNERSHIP IN HAWAII

Manufacturing Extension Partnership (MEP) is a nationwide system of services and support for smaller manufacturers to become more globally competitive. At the heart of the system is a network of affiliated, locally-based manufacturing extension centers. Each center, like Innovative Solutions, is a partnership, typically involving federal, state, and local governments; industry; educational institutions; and other sources of expertise, information and funding support.

### COMPANY CLIPS

#### Strategic Planning Prepares Kapala Ahu For A Sunny Future

Kapala Ahu of Kaneohe designs and produces Hawaiian graphic artwork and printed garments. Kapala Ahu's President, Wain Piena, creates distinct Hawaiian designs based on traditional and contemporary themes. This design service is complemented by Kapala Ahu's garment printing capabilities. The company produces printed fabric and a range of printed garments. With less than 20 employees, this family-owned and operated company supplies a range of stores and organizations in Hawaii.

After attending a lean manufacturing workshop, Kapala Ahu contacted Innovative Solutions (formerly Hawaii Manufacturing Extension Partnership) for help in the development of its strategic direction. Though the company recognized the market potential of its services and products, the firm's management team was not sure of the best direction to take to continue the growth and success of the company.

Working closely with local consultant Leap Frog LLC, Innovative Solutions helped Kapala Ahu assess its priorities. With the guidance of Innovative Solutions and Leap Frog, Kapala Ahu determined its strategic direction. The company acknowledged the need to improve production efficiencies as a priority for the future. Leap Frog completed a financial review of Kapala Ahu to evaluate the company's resources and devise a strategy for improving cash flow. In addition, Innovative Solutions and Leap Frog worked with Kapala Ahu to develop a pricing model and marketing plan based on the owner's goals. By avoiding both expansion costs and loss of revenue through low margins and focusing instead on the company's optimum potential, Kapala Ahu saved nearly \$100,000 in short-term costs and developed a strategy for the future.

### STATE STATS

DATA\* COVERS JANUARY TO DECEMBER 2001

Number of projects completed  
with firms  
**45**

Number of firms served  
**51**

Number of firms served for  
the first time  
**27**

Federal cost share for current  
operating year  
**\$484,000**

State/other cost share for current  
operating year  
**\$968,000**

*\*Data as reported from center*

DATA\*\* COVERS JANUARY TO DECEMBER 2001

Increased sales & retained sales  
**\$25,000**

Client capital investment  
**\$39,000**

Total cost savings  
**\$11,500**

Jobs (created & retained)  
**5**

*\*Data as reported from center*

**For additional information,  
contact Dede McMahon 301-975-5020**



*Continued***Ed & Don's Of Hawaii Tastes Sweet Success**

Ed & Don's of Hawaii, Inc. is a Honolulu-based confectionary company. Established in 1956, the company enjoyed an unequalled reputation as a manufacturer and purveyor of fine handmade chocolates and ice cream. After a mainland firm purchased the company, its market emphasis gradually shifted to the Far East. It is now a mass producer and discounter of chocolate-covered macadamia nuts. Ed & Don's of Hawaii employs approximately 30 people.

Redeployment of its resources and marketing efforts to the Asian market left Ed & Don's with almost no presence in the Hawaiian market. When the company experienced a decline in overall sales due to a recent softening in the Asian economy, new management at Ed & Don's recognized the need to develop a stronger presence in the Hawaiian market. The company also saw a potential opportunity to expand its Asian product lines. Ed & Don's called Innovative Solutions (formerly the Hawaii Manufacturing Extension Partnership) for assistance.

Innovative Solutions advised Ed & Don's to invest in product development and product improvement, and worked together with Ed & Don's production team to brainstorm, identify, and develop a viable product for its target market. A product development specialist at Innovative Solutions worked with the company to provide technical expertise the company didn't have on staff. Innovative Solutions guided Ed & Don's through the product development process, conducted market analysis of the target market, and is assisting with package development and branding. With the new product, Ed & Don's will be able to re-introduce its brand name to the marketplace and promote its entire product line. The company